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MESSAGE

OF THE

GOVERNOR

OF THE

State of New York

Transmitted to the Legislature January 1, 1908

ALBANY
J. B. LYON COMPANY, STATE PRINTERS
1908

UNIV. OF MICH.
FEB 26 1908

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STATE OF NEW YORK

No. 2.

IN SENATE

JANUARY 1, 1908.

The Governor's Message.

STATE OF NEW YORK.

EXECUTIVE CHAMBER,

ALBANY, *January* 1, 1908.

To the Legislature:

The transactions of the treasury during the fiscal year ending September 30, 1907, show a large increase in receipts, and a net gain in surplus amounting to $2,386,693.18.

Against $35,596,966.92 received from all sources during the year ending September 30, 1906, the State received in the last fiscal year $43,980,373.47. Of the increase $7,317,584.76 are attributable to the sale of bonds for canal and highway improve-

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ments, to the canal debt sinking fund account and unexpended canal appropriations, and to the account of trust funds, as follows:

	1906.	1907.
Proceeds of sale of barge canal bonds	$1,011,466 67	$5,038,404 59
Principal and interest on bonds and judgments for canal debt sinking fund and interest on deposits for same	318,005 05	396,079 78
Unexpended balance of canal appropriations refunded	.....	124,665 12
Proceeds of sale of bonds and temporary bonds for highway improvement	100,000 00	2,317,393 10
Other receipts for account of improvement of public highways	.....	22,684 21
Trust funds, including principal and interest on bonds and deposits	687,384 42	1,535,214 10
	$2,116,856 14	$9,434,440 90
Excess in receipts for said purposes in 1907 over 1906		$7,317,584 76

Apart from receipts from fees of public officers, including notaries, and fines and penalties ($382,024.75), from State prisons ($51,025.22), through State institutions on account of sales, etc., ($475,192.11), for expenses of insurance and banking departments ($443,588.32), from sales of lands ($90,053.18), from interest on general treasury deposits ($221,313.54), and from miscellaneous sources ($306,084.69), the amounts raised by taxation aggregated $32,576,650.76. Although no direct State tax was laid (exclusive of special tax for judges, stenographers, etc.) this amount was $1,237,821.49 in excess of the amount raised in the preceding year. The comparison is as follows:

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	1906.	1907.
Direct State tax	$1,163,042 30	.....
Special tax for judges, stenographers, etc	239,675 00	$218,282 14
Tax on corporations	7,832,842 86	8,581,223 44
Tax on organization of corporations	485,030 60	391,423 18
Tax on transfers of decedent's estates	4,713,311 33	5,435,394 97
Tax on transfer of stocks	6,631,903 22	5,575,986 64
Tax on trafficking in liquors	9,486,500 28	9,697,504 24
Tax on mortgages	431,323 17	2,442,249 73
Tax on racing associations	201,371 14	215,925 29
Tax on land of nonresident owners	153,829 37	18,661 13
	$31,338,829 27	$32,576,650 76
Excess in 1907		$1,237,821 49

The income of $2,442,249.73 from the recording tax on mortgages is especially noteworthy and fully justifies the expectations of its promoters.

The disbursements during the last fiscal year amounted to $39,012,687.28 as against $30,350,096.21 in the preceding year. Of the difference $8,290,513.62 are accounted for in the expenditures for canals, for highways, in trust fund transactions, for forest preserve purchases, redemption of Adirondack Park bonds, and on account of the new educational building, to wit:

	1906.	1907.
Canals, for all purposes, including amounts paid from canal debt sinking fund (1906, $2,583,499.25; 1907, $5,369,384.45)	$4,980,053 04	$8,760,024 06

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	1906.	1907.
Highways, for all purposes (including principal and interest, temporary certificates for highway improvement, 1907, $557,423.34)	$1,175,595 17	$3,279,967 58
Trust fund transactions	472,269 96	1,935,989 21
Adirondack park and Catskill preserve purchases	69,203 81	339,117 58
Principal and interest Adirondack park bonds	.....	210,500 00
State Educational Building	.....	462,027 07
	$6,697,121 98	$14,987,635 60
Excess for these purposes in 1907		$8,290,513 62

After proper allocation of funds, the available balance or surplus on September 30, 1907, amounted to $13,678,138.47 as against $11,291,445.29 at the end of the previous year.

The State debt increased during the last fiscal year from $10,630,660 to $17,290,660. This was due to the issue of bonds for canal and highway purposes. The debt is distributed as follows:

	1906.	1907.
Canals	$10,230,660	$15,230,660
Adirondack park	400,000	200,000
Highways	.....	1,860,000
	$10,630,660	$17,290,660

On September 30, 1907, the sinking funds for the canal and highway debts amounted to $9,573,055.81, leaving the balance of debt unprovided for $7,717,604.19. The only debt maturing during the current fiscal year consists of the remaining $200,000 Adirondack park bonds which mature on February 1, 1908.

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CANALS.

The amount of canal improvement work now under contract amounts to $22,400,000; contracts have been awarded during the past year amounting to $7,067,000; and plans have been finished for the award of contracts amounting to $7,042,000. The state engineer estimates that plans for the entire work will be completed in from ten to twelve months. It is of manifest importance that this work should proceed with all possible speed consistent with expert care.

I renew my recommendation of last year that in place of the present expensive method of appraising lands acquired for this purpose, the matter of appraisal and the making of agreements of purchase or for the settlement of damages should be committed to the superintendent of public works subject to the approval of the canal board.

HIGHWAYS.

During the past year, 385 miles of State roads have been built and 564 miles in addition have been contracted for. Plans are ready for 1,093 miles of road. It is understood that of these last, bids will be received in January for 201 miles, and that the remaining 892 miles represent roads for which the counties have already appropriated their share of the cost of construction, but for which contracts cannot be let until appropriation of the State's share has been made by the legislature.

In making the large expenditure which is contemplated for improved highways, the object is to execute a comprehensive plan in the interest of the whole State, furnishing through lines connecting centers of population and proper lateral lines to provide each section with adequate means of communication. The subject of needed improvement in our system of highway development and maintenance is one deserving of your most careful consideration, in which you will be aided by the report of the committee of the legislature specially appointed to examine the matter.

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BANKS AND TRUST COMPANIES.

The recent financial disturbance has directed attention to the importance of amending the law relating to banks and trust companies. There is much reason for gratification in the fact that for the most part our institutions were found to be sound and that only a few were compelled to give way despite an unparalleled strain. But every practicable means should be adopted to prevent repetition of reprehensible practices and to assure the proper management of the financial institutions chartered and supervised by the State, upon whose stability and prosperity the interests of our people in every walk of life so largely depend.

In order that the matter might be considered with appropriate promptness and in the light of expert opinion, I requested six eminent bankers representing respectively the different classes of institutions, to collate facts, to receive suggestions and to express their views with reference to necessary changes in the law of the State. These gentlemen, Messrs. A. Barton Hepburn, Edwin S. Marston, Edward W. Sheldon, Algernon S. Frissell, Stephen Baker and Andrew Mills, undertook the task as a matter of public duty, serving without compensation and defraying their own expenses. I submit to you their valuable report, inviting your most careful consideration of its recommendations and also of those contained in the report of the superintendent of banks.

It is advised that there should be an enlargement and more careful definition of the powers of the superintendent of banks with reference to the organization of banks and trust companies, the establishment of branches of either, and mergers or the control of one institution by another. Recent events have demonstrated the necessity of providing effective means for preventing the exploitation of banks and trust companies and the acquisition and use of a control of a number of institutions to facilitate selfish schemes opposed to sound banking. If suitable restrictions are

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imposed in explicit form and with appropriate penalties, ensuring adequate knowledge and proper action on the part of the board of directors with regard to loans and other transactions; preventing the deposit of moneys of one institution with another in order that the officers, directors, or stockholders of the former may obtain desired credits from the latter; limiting the amount which may be loaned by any bank or trust company upon the stock of another financial institution; reducing the amount which may be loaned upon collateral to any one interest; and erecting proper safeguards against loans and investments in aid of schemes of promotion represented by unmarketable securities; and if in addition suitable means are provided for the enforcement of the rulings of the superintendent of banks with regard to improper or unsafe practices, the security of our financial institutions, and the confidence which springs from just reliance upon their proper management, will greatly be strengthened.

The members of the committee are not agreed upon the subject of reserves. The maintenance of reserves, to the highest extent suggested, of course will not protect against the consequences of improper investments or save an institution that is in an unsound condition. But it is apparent that the existence of demand obligations requires reserves to be maintained and that they have the salutary tendency to prevent an undue expansion of credits. The arguments that are adduced with respect to the different reserve plans which are proposed, I submit to your consideration.

With regard to trust companies, however, the matter of reserves is a phase of a larger question. It was not contemplated by the law relating to trust companies that they should engage in the same business as banks. Their powers were defined with reference to the execution of trusts and to action in fiduciary capacities, with such incidental privileges as were deemed consistent with the general purposes. In practice, however, they have engaged

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in the banking business upon a large scale and the moneys deposited with them are for the most part payable on demand. Despite this development of their business it was not until 1906 that they were required to keep any cash reserve, and this is much less than that required of banks. Whatever else may be said on the subject, it would seem clear that business of the same sort should be transacted under the same conditions. It is not the name of the institution which justifies the imposition or the omission of the restriction, but the kind of business.

In my judgment nothing will meet the situation with fairness to the interests of the banks, of the trust companies, and of the public which deal with both, which does not require that each distinct field of operation should carefully be delimited and that any corporation transacting business in a particular field shall be subject to the obligations and restrictions which pertain to that field. Whatever reserves, or other restrictions, may be deemed advisable with reference to demand deposits in the case of a bank should be equally obligatory with reference to the same sort of deposits in the case of a trust company. Similarly the savings bank business is a distinct field, and business of this sort should be transacted only by institutions subject to the restriction of the savings bank law.

The amount of legal expenses incident to the liquidation of insolvent banking institutions in this State is a grave scandal to which the committee of bankers fittingly calls attention. I recommend that provision be made for liquidation under the supervision of the superintendent of banks and that he shall have authority to appoint liquidating agents and necessary assistants to enable him to wind up the business in the most speedy and economical manner. I do not think that there should be an attempt to oust the court of its jurisdiction to appoint receivers. But the present provisions of law for exclusive liquidation through receivers appointed by the court may be changed and the courts should be left

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to exercise their jurisdiction in cases where they deem it necessary to interfere with the ordinary course of liquidation. And it should be provided that application for the appointment of receivers by the court shall be made in the judicial district in which the corporation has its principal place of business and that proper notice of the application shall be given to all creditors. Similar provision should be made for the liquidation of building and loan associations.

INSURANCE.

The provisions of the insurance law, recently enacted, with reference to the business of life insurance, were designed to ensure conservative management and to prevent resort to wasteful methods and the recurrence of the evils which had been disclosed. There is no business more closely related to the welfare of the people, especially to the thrifty and provident, and none which should be more carefully safeguarded. I recommend to the legislature that, while any suggestions of amendments should receive proper consideration, there should be extreme caution in making any changes, and no changes should be made unless it clearly appears that they are needed to conserve the interests of the policyholders.

The need of improving the standard form of fire insurance policy has been urged, and I present the subject for your consideration.

I also call your attention to the advisability of providing for the liquidation under the supervision of the superintendent of insurance, of insolvent insurance corporations in the same manner as is proposed for the liquidation of banking institutions.

PUBLIC SERVICE COMMISSIONS LAW.

The public service commissions law has provided for the investigation and redress of grievances in connection with the operation of railroad, gas and electrical corporations. The neces-

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sity of having such an administrative board with adequate powers so that complaints may be heard and determined upon their merits, and that there may be suitable machinery for enforcing the rules of law requiring impartial and proper service upon reasonable terms, according to the exigencies of each particular case, cannot be gainsaid. No change is suggested in policy or structure, but such amendments as experience may show to be advisable to improve the text, to facilitate administration or more fully to carry out the intent of the act, should be supplied.

I recommend, however, an enlargement of the scope of the act. In view of the tasks to be assumed with respect to corporations already under supervision, it was not thought best at the outset to extend the act to other corporations. It should now be extended to telephone and telegraph companies and they should be brought under appropriate regulation as to rates, service, and other matters, similar to that which obtains in the case of the corporations at present subject to the law.

It is not advisable that separate commissions should be created; efficiency and economy will be promoted by concentration of supervisory powers. The increased labors of the public service commissions may be met by suitable departmental organization. But to avoid the overburdening of the commissions when organization is being perfected and precedents in various classes of cases are being established, I recommend that this extension of jurisdiction shall take effect on October 1, 1908.

NEW YORK CITY CHARTER AND DEBT LIMIT.

The commission, the appointment of which was authorized at the last session, "to inquire into the local government of the city of New York and the charter thereof and to suggest legislation thereon," has made a report which I submit to the legislature. As the commission was directed to report on or before December 1, 1907, it did not have sufficient time to prepare a revised charter.

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But in its report it has made a valuable contribution to the work of revision in stating the principles which it regards as of fundamental importance, and in projecting the lines of improved governmental system and administration. This work should be prosecuted to completion without unnecessary delay, and I recommend that provision be made at as early a date as practicable for the appointment of a commission for this purpose.

Through the work of the public service commission of the first district existing facilities will be availed of to their utmost capacity to improve conditions of transit. But the natural increase in the demands for service, which is incident to the rapid growth of the city, necessarily outstrips any possible improvement in the facilities at present available.

The construction of new lines, particularly of new subway lines, is imperatively demanded. With respect to this matter the public service commission is subject to the provisions of the rapid transit act. By the referendum of 1894, the plan of municipal construction of rapid transit lines was decided upon, and there is no provision for building such lines with private capital except in the case of certain extensions of, and additions to, existing lines. It is urged, however, that the city's indebtedness has reached such an amount that there is not a sufficient margin available to enable the city to provide for the construction of needed subways. The charter revision commission recommends that the constitution should be so amended as to exclude from the computation of the city's debt limit all bonds or evidences of indebtedness issued for purposes which produce revenues in excess of their maintenance charges. I concur in this recommendation and I present it to you for appropriate action, looking to the submission to the people of the proposed amendment in suitable form.

In the meantime the question whether any changes in the rapid transit act should be made in order to facilitate subway construction, should receive your most serious consideration.

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ELECTIONS.

The Ballot.— I renew the recommendation for the adoption of a simplified form of ballot, without the party column, in which the names of candidates for the respective offices shall appear but once grouped under the names of the offices.

The present form of ballot is unnecessarily cumbrous. In some instances there have been on one ballot as many as seven separate columns of independent nominations and the name of the same candidate has appeared three and four times, in as many columns. No candidate should have more than one place on the ballot, so that there may be the smallest possible opportunity for fraudulent contrivances to secure the advantages of duplication. Appropriate designation of party may be placed opposite each name.

Each voter should be required to express his choice for each office separately. All parties will be placed upon the same footing and the effect will be to encourage the nomination of candidates who will not suffer by reason of separate consideration. The uncertainty which from time to time develops with regard to the proper method of voting split tickets should be removed, and the best way of accomplishing this result is to put the voters on the same basis. Experience in other States shows that partisan fears of the effect of a simpler ballot are unfounded. There should be no unwillingness to provide for the freest expression at the polls of the popular will, and public policy demands that the strength of party organization should be maintained by the quality of its acts and candidates, and the principles for which it stands, and that it should not be permitted to proceed along the line of least resistance by means of favoring arrangements of our election machinery.

Constitutional Amendments.— Some means should be devised to familiarize the voters with proposed constitutional amendments,

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to the end that more intelligent consideration may be secured. Provision for the delivery of the text of the amendment to the voter at the time of registration in districts where personal registration is necessary, and suitable notification elsewhere, may be advisable.

PRIMARIES AND DIRECT NOMINATIONS.

The urgent need for primary reform is generally recognized. There is wide difference between effective organization in the interest of the party and the misuse of such organization for purely selfish purposes. Within itself the party constitutes a democracy, and its members should be protected against despotic proceedings.

To prevent frauds provision should be made for an official primary ballot. But the form of the ballot should put all the enrolled voters upon an even footing, without any advantage to those who are in power for the time being, and should encourage discrimination in the selection of party representatives.

There should be unrestricted opportunity for the expression of the wishes of the members of the party in the selection of candidates for office. Only in this way can healthy party activity be secured. And in order that the enrolled voters should be encouraged to take part in party proceedings, and that the will of the party in the choice of candidates may be expressed, and not defeated by a perversion of party machinery, I am in favor of direct nominations. I renew the recommendation made at the last session that provision should be made for such nominations, at the primary, of candidates for office. In my judgment it is advisable that the provision should take the permissive form; that is, that a method of direct nominations shall be defined which party organizations may adopt by suitable rule. I favor this course because I believe that in this manner legislation can be had which will secure a fair trial of the plan and pave the way for its general adoption in the light of persuasive experience.

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RACE TRACK GAMBLING.

As amended in 1895, the Constitution (Article I, section 9) provides:

"Nor shall any lottery or the sale of lottery tickets, pool-selling, book-making, or any other kind of gambling hereafter be authorized or allowed within this state; and the Legislature shall pass appropriate laws to prevent offenses against any of the provisions of this section."

Following the adoption of this provision the Legislature in 1895 amended the penal code (Section 351) so as to make it a felony to engage in pool-selling or book-making at any time or place, or to record bets or to keep or occupy any place or stand for such purpose. It made an exception, however, of cases where an exclusive penalty was otherwise provided.

At the same time, by the so-called racing law (Laws of 1895, chapter 570, sections 17–18) a different and exclusive penalty was provided for book-making and pool-selling on authorized race tracks, provided no memorandum or token of the bet was delivered. This exclusive penalty consists of the forfeiture of the amount wagered, to be recovered in a civil action.

In writing for the court of appeals with reference to the construction of these sections of the racing law, Chief Judge Cullen said (*People* v. *Stedeker,* 175 N. Y. on page 64):

"It will thus be seen that the effect of these two sections is to relieve any person who either makes or records a bet, wager or pool upon the race course from any liability to punishment except the recovery by the other party of the money bet or deposited. There is but one qualification on this exemption, that no record or registry of the bet shall be delivered to the other party or to some third person for him. In other words, the question whether the offender is a felon or not depends upon whether he delivers, what I may term, a voucher or evidence of the bet to the other

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party. If he abstains from this he may bet, wager and sell pools on the races and record and register the same free from other liability than the civil penalty. * * * ."

The constitutionality of this discrimination has been upheld by the court of appeals upon the ground that in carrying out the provisions of the constitution it was in the discretion of the legislature to fix the penalty and that in the cases specified the legislature could make the penalty simply a forfeiture of the bet, to be recovered in a civil action. The question for the court was simply one of legislative power.

A different question, however, is presented to the legislature in the exercise of its discretion, and that is the question of legislative policy and of a substantial, and not a mere technical, compliance with the explicit constitutional provision. The constitution makes it the duty of the legislature to enact appropriate laws to prevent pool-selling, book-making, and other kinds of gambling. Experience has shown that the laws enacted have not accomplished the purpose which the constitution defines. The evils and demoralizing influences, and it may be added, the economic waste, at which the constitution aimed, exist under the law and in fact are stimulated and increased through its provisions. The discrimination in penalties now existing rests on no distinction that is justified to the popular mind. Public sentiment is against such arbitrary distinctions, with the result that the laws against gambling outside of race tracks have been defied, and the administration of the law has been brought into contempt.

The constitution makes no exception of race tracks. I recommend that the legislature carry out the clear direction of the people without discrimination. In connection with the repeal of the existing exception, I recommend that the offenses described in section 351 of the Penal Code should be punished by imprisonment and that the alternative of fines should be abolished.

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The racing law provides for a tax of five per centum upon the gross receipts at trotting and running race meetings which under the Agricultural Law becomes part of a fund for distribution each year among various agricultural societies in prescribed proportions. In order that there may be no diminution of the support upon which these societies largely rely, appropriations may be made for their benefit to the extent necessary to secure to them amounts substantially equivalent to the sums they hitherto have received. It is better that they should be supported directly than that the State should derive a revenue for this purpose through an indefensible partiality in the enforcement of the fundamental law.

STATE INSTITUTIONS.

Charitable Institutions.— Under acts passed at the last session, commissions were appointed to select sites for the New York State Training School for Boys, to succeed the present House of Refuge on Randall's Island, and also for an Eastern New York State Custodial Asylum for epileptic and feeble-minded persons requiring custodial care. Reports will soon be submitted to the legislature and in order to expedite this important work it is recommended that appropriations for the purchase of adequate sites and for their suitable improvement shall be made as promptly as possible.

The charitable institutions, unlike the hospitals for the insane, are not governed by a reasonably uniform law. There is wide diversity of legal provision with reference to number of managers, their terms of office, their qualifications, their removal, and with regard to the powers of the managers and of the superintendent in relation to the appointment of subordinate officers and employees. Some institutions are required to report to the legislature, and others to the State board of charities. While absolute

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uniformity may be impracticable, legislation should provide so far as possible for a uniform system of management.

Hospitals for the Insane.— The lease to the State of Ward's Island (the site of the Manhattan State Hospital), which will expire in 1912, should be extended if satisfactory arrangements can be made with the authorities of New York City. The overcrowding of the State hospitals is largely in the southeastern part of the State and an additional hospital should be provided there at the earliest possible moment. At the last session the commission in lunacy was authorized to take steps to procure a suitable site for this purpose near the City of New York and to report to the legislature.

Prisons; Parole Board.— The commission to select a new site for Sing Sing prison has secured land for this purpose on the west bank of the Hudson river about forty miles from New York which it is believed possesses superior advantages. On account of conditions at the present prison, the work of construction should be expedited.

The legislation at the last session extending the provisions for parole of prisoners is of great importance and devolves largely increased responsibilities upon the members of the board of parole. The State cannot expect to retain the services of competent men unless more suitable provision is made for their compensation.

Salaries in State Institutions; Purchases.— Requests are being urgently made for the increase of salaries of employees in State institutions. While the State is the one employer, there are diversities in existing classifications and in the means of fixing salaries which are wholly unnecessary and subject the State to serious disadvantage. In some cases one portion of the State service in effect competes with others, and the want of harmonious action breeds widespread dissatisfaction.

The State comptroller, and the president of the State board of

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charities, subject to the approval of the governor, classify the employees of the charitable institutions and fix their salaries. In the hospitals for the insane a scale is provided by law subject to which salaries may be fixed by the commission in lunacy with the approval of the governor, the secretary of state, and the comptroller. In the State prisons the salaries or maximum salaries are for the most part fixed by law.

Without losing the advantages of separate supervision of distinct classes of institutions, it is for the interest of the State to harmonize its financial operations. I recommend that in order to obtain desirable uniformity, and to provide a method by which any necessary changes may be effected with due regard to the entire service of the State, provision shall be made for the classification and fixing of salaries in the charitable institutions, in the hospitals for the insane, and in the prisons by a board of control in which the respective classes of institutions, through their supervisory boards and officers, shall have suitable representation.

The same reason obtains with reference to purchases of provisions and supplies in the various institutions. To a large extent supplies of the same sort are required in the different institutions, and it is desirable that these should be purchased by the State under one system and through a single board. This can be accomplished by having purchases made through the same board of control, representing all institutions, as that which fixes the salaries.

The action of the board may be made subject to the approval of the comptroller and the governor.

To promote convenience of administration in the offices of the State architect and the fiscal supervisor, provision should be made for a deputy who in the absence of the officer can act in his place.

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AGRICULTURE.

No effort should be spared to promote the development of the agricultural interests of the State. Important provision has been made for instruction in agriculture and in veterinary science at the colleges established in connection with Cornell University and for scientific experimentation at the Agricultural Experiment Station at Geneva, and through these foundations steadily increasing benefits will accrue to the people of the State. The provision for instruction, however, is not adequate. There is much to be said in favor of the establishment of a secondary agricultural school which would provide a suitable complement to the work of the college at Ithaca. There is a favorable opportunity for the establishment of such a school upon an economical basis in connection with Alfred University, and I submit the matter to your consideration.

I recommended last year that plans should be made for the comprehensive and adequate development of the State Fair in a manner which would avoid haphazard or ill-considered improvements merely designed to meet temporary exigencies. In accordance with the directions given at the last session a complete scheme of improvement has been prepared, and will shortly be submitted to the legislature. The development of course must be gradual and without extravagance. But by making substantial progress each year, so that what is done shall fit into a suitable general plan, economy will be promoted and the result will be worthy of the State.

The services of the State Fair Commissioners have been rendered without compensation and are deserving of grateful appreciation. As the fair assumes larger proportions it is necessary, however, to consider improvements of the system of administration. The question is presented whether it will not be in the

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interest of the State to reduce the Commission to a small number with some provision for compensation.

I call your attention to the serious importance of dealing with the question of bovine tuberculosis. The disease is spreading, and we not only suffer from what may be called its natural increase, but the measures that are taken in neighboring communities for their own protection have made our State the recipient on a large scale of tuberculous cattle which have been rejected elsewhere. Such a condition is intolerable and the people of the State should be alive to the necessity of taking most stringent means for their protection. The subject should be thoroughly examined and expert advice should be obtained as to the best measures to be adopted. There should also be provision for proper meat inspection. State inspection to ensure local protection, particularly with regard to the disposition of rejected animals, is a necessary supplement to federal inspection in connection with interstate commerce.

LABOR.

The efficiency of the labor department has materially been increased by the reorganization effected under the legislation of the last session. Complaint is made of the enforcement of the provisions of the labor law relating to mercantile establishments on the ground that local boards of health who are charged with the duty of inspection are not in a position to give the matter requisite attention. It is urged that better results would be obtained if it were committed to the State department of labor. I present the question for your consideration.

It should also be considered whether it is not desirable to transfer to the children's courts cases of violations of the provisions of the labor law affecting children, and prosecutions of parents for unlawfully permitting children to remain out of school. As

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children are necessarily involved in these cases, the same reasons which led to the establishment of children's courts would appear to justify the transfer.

The bureau of labor statistics should be strengthened so as to permit an extension of its work, and to provide for special investigations so that the facts relating to particular problems can be secured and proper measures of relief may be planned intelligently. Industrial accidents form a subject which in this way might receive needed consideration.

The condition of immigrants from foreign countries who in large numbers remain in this State, requires careful study. We cannot afford to ignore the situation and our first effort should be properly to understand it and to take whatever measures may be necessary to protect these newcomers from the special forms of imposition of which they are the victims and through a proper distribution to realize their economic value. The matter has many phases which may well form the subject of a special investigation. I recommend that provision be made for the appointment of a commission for this purpose. And as it is a field which has engaged the attention of many public-spirited citizens, I believe it would be possible to obtain a commission possessing the highest qualifications which would serve without compensation.

One of the most beneficial statutes of recent years is the tenement house act, affecting the conditions under which so many of our people live in the crowded sections of our great cities. The consequences of evasion, if successful, are serious. I recommend the passage of such supplementary legislation as will strengthen the law, and I would urge the importance of maintaining unimpaired its salutary provisions.

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FOREST PRESERVES AND GAME LAWS.

During the past year 46,156 acres of forest land have been purchased and contracted for by the land purchasing board, making the total land held by the State 1,518,450 acres, of which 1,454,383 acres are in the Adirondacks and the remainder are in the Catskills. It would be difficult to name any matter of greater importance to the people than the conservation of our forests. To this end the State should largely extend its purchases and so far as possible avoid the increased cost which will be entailed by delay. Any effort on behalf of private interests to invade the common right in these lands and their maintenance for the public benefit should be defeated.

Not only should the State extend its holdings, but there should be suitable replanting to repair the extensive ravages which have taken place in our forest domain. Progress has been made in this work. Next spring there will be ready for removal from the State nurseries to the field about 550,000 trees of which 458,000 will be four years old and 92,000 three years old; 1,693,000 trees remain in the nurseries. In comparison with what has been done elsewhere in this country, the State has reason to be proud of what has been accomplished. But the work should be conducted upon a much larger scale. The State can produce these trees (pine and spruce) for about $2.50 a thousand, and two men can plant about 1,400 trees a day. Our citizens should also appreciate the importance of tree planting upon their non-arable lands. It may be well that in view of the State's facilities, the forest, fish and game commissioner should be authorized to furnish from the nurseries pine and spruce trees to be planted under the supervision of the department, at a sum equivalent to the cost to the State; and I submit this question for your consideration.

For some years about forty statutes have been passed annually to amend the forest, fish and game law. Last year there were

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twenty-four amendments, and more than thirty additional bills, among the thirty-day bills, failed for want of approval. No sufficient reason appears for such a volume of legislation upon this subject. I recommend that the forest, fish and game law be carefully revised. It should be possible in the light of experience and with accurate knowledge of the needs of the various localities, to provide a code which will be fairly permanent.

I recommend the enactment of a license law providing reasonable license fees for hunting, with a suitable scale for residents, non-residents, and aliens. The advisability of providing restrictions with reference to the carriage and possession of firearms, except during stated periods or under specified conditions, should also be considered. Such measures I believe would have the support of all those who are interested in the protection of game; and there is also presented the necessity of devising means to prevent the indiscriminate destruction of bird life which, through the consequent prevalence of insects, constitutes a serious menace to our agricultural interests.

WATER POWERS.

Under an act passed at the last session, an inquiry is now in progress through the water supply commission with regard to the undeveloped water powers of the State. Means should be provided to enable this investigation to be completed with thoroughness. In the light of exact information, a proper policy with reference to the development and control of water powers should be established in order that these important sources of our prosperity may be held to the utmost extent possible for the benefit of all the people.

No grant should be made of water power privileges without compensation and under restrictions which will properly protect the rights of the public from whom the privileges are derived.

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PUBLIC HEALTH.

The waste of life and productive energy which results from the prevalence of tuberculosis requires that every effort should be made to limit, if it is not possible to destroy, this scourge. It is gratifying that public sentiment is being aroused upon this question and that opportunity is afforded for the co-operation of public and private effort to attain the desired results. I recommend to the legislature the adoption of measures (including those already mentioned with respect to the milk and meat supply) which will tend to prevent the spread of this disease. Provision should be made for notification and complete registration of cases and for the dissemination of necessary information. There should be suitable appropriations made to permit systematic effort under the direction of the commissioner of health.

PURE FOOD.

The laws relating to adulterations and impurities in food should be codified and presented in a single comprehensive statute. I recommend the passage of a pure food law which will prevent the sale of adulterated or improperly branded foods. The law upon this subject passed at the last session I was unable to approve as it contained provisions which in effect would have made its restrictions inoperative. It is important that such a law should be clear and precise and make evasion difficult, if not impossible.

QUARANTINE COMMISSIONERS AND HEALTH OFFICER.

With respect to the quarantine station at the port of New York there is a divided authority. The health officer has general supervision and control of the quarantine establishment and the care and treatment of the sick. He appoints all needed assistants, has charge of the inspection of vessels, and generally has the duty

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of adopting whatever measures are needed for the protection of the public health. The custody of Hoffman and Swinburne islands, where persons subject to quarantine are detained, is in the control of three quarantine commissioners. While expenditures for general quarantine purposes are made by the health officer, the commissioners have the care of the buildings and improvements on the islands, and make expenditures for repairs or additions according to their appropriations. They also care for the persons detained, through superintendents whom they appoint, the expense of such care being defrayed by the owners or agents of the vessels.

This division of authority answers no useful purpose. By far the most important part of the work of the station is now performed by the health officer, and it would not add in any impracticable degree to his responsibilities or require any increase in his compensation if he were charged with the duties now devolved upon the commissioners and had the custody and control of the islands.

Treating the matter impersonally and without reflecting upon the commissioners, it seems to me that their offices are unnecessary and should be abolished.

At present the health officer receives an appropriation for his laboratory, but otherwise pays his expenses out of the fees received, accounting for the balance over his expenses and compensation to the treasury of the State. This is in accordance with the present law, but in my judgment it should be changed so as to provide that all fees be paid to the State treasurer and that the expenses of the office be provided for by appropriation.

PORT WARDENS.

There is a board of nine port wardens of the port of New York who on request make examinations or surveys of property damaged on board of vessels, recording the results, of which they are au-

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thorized to furnish official certificates. They also have supervision of Hell Gate pilots, holding examinations, making recommendations for appointments, and establishing regulations.

Assuming that it is advisable to continue the office for the purpose of furnishing official certificates of surveys of vessels, it is apparent that the board as now constituted is unnecessarily large. There is not sufficient work to engage the attention of the present number. I recommend that the board of port wardens be reduced to five members, which will answer all purposes, even if jurisdiction over pilots be retained. But this it would seem might well be vested in the board of commissioners of pilots to which the Sandy Hook pilots are subject.

NATIONAL GUARD.

The commission appointed to inquire into the condition of the national guard and naval militia is about to submit a preliminary report. In order to conform to the requirements prescribed for the militia by the War Department under the federal law of 1903, and in order to secure for this State its share of the appropriation made by Congress, the necessary changes in the organization of the national guard must be made prior to January 21, 1908, when the time prescribed for that purpose will expire.

A bill which the commission has prepared making the necessary changes in organization will be submitted to the legislature with its preliminary report. While it is possible that the time may be extended by Congress, the subject is of great importance and it is desirable that action should be taken by the legislature prior to the date mentioned.

JUDICIAL SALARIES.

The salaries of justices of the supreme court show extraordinary incongruities. The trial justices outside of the first, second and ninth districts receive $7,200 a year each, $6,000 as salary

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and $1,200 as an allowance in lieu of expenses, which has been judicially construed to be a part of the compensation, and hence, under the constitution, is not subject to change in the case of any justice during his official term. This amount has not been increased since 1872. But since 1898 the justices have been allowed actual expenses when holding court away from home. The justices in the first district receive the same salary and an additional compensation paid by the city of New York, making a total of $17,500 each. In the second district the salary, the above mentioned expense allowance, and the allowance paid by the counties, makes an aggregate of $17,500; and the justices in the ninth district, which was created by a division of the second, and consists of the counties of Westchester, Putnam, Dutchess, Orange and Rockland, receive a like sum ($17,500).

A justice of the appellate division in the third or fourth department residing in the county where the court sits, receives $7,200. And a justice of the appellate division in either of said departments not residing in Albany or Monroe county, receives $9,700. Non-resident justices designated to sit in the appellate division of the first or second department receive extra compensation upon certificate which makes their total compensation equal to that of resident justices.

The practice of increasing compensation by allowances in lieu of expenses should not be continued. Compensation should be fixed as such, and actual expenses when properly payable should be paid as such. In view of the constitutional provision that the compensation of justices shall not be increased or diminished during their official terms, I recommend that a resolution be passed proposing a constitutional amendment which shall fix the salaries of trial justices and justices of the appellate division of the supreme court on a suitable basis, and shall prohibit any other compensation or allowance in lieu of expenses.

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CHAMPLAIN AND HUDSON-FULTON CELEBRATIONS.

Fitting preparation should be made for the celebration in the year 1909 of the three-hundredth anniversaries of the discoveries of Lake Champlain and the Hudson River. The former is an event of inter-state and international importance, and a commission representing this State is co-operating with a Vermont commission in perfecting suitable plans. It is hoped that the federal government will give assistance, and that through its offices the government of the Dominion of Canada and the Republic of France will be invited to participate.

In view of its far-reaching results, the celebration of Hudson's discovery should be planned upon an adequate scale and in every respect should be worthy of the State. In connection with this celebration the first voyage of Fulton's steamboat up the Hudson River will also be commemorated. This subject is in charge of a commission which is giving the matter careful attention.

Suitable appropriations should be made for these purposes which can hardly fail to deepen the interest of our people, and notably of our youth, in the study of our history and to stimulate that patriotic sentiment which we should lose no opportunity to intensify.

In every department of administration, the demand is urgently made for increased facilities. The activities to which the State is committed, in its provision for education, in its charities, in the care of the insane and feeble minded, in its prisons, reformatories and reform schools, constantly expand with inevitable requirements for betterments and extensions. There is also a growing appreciation of the needs of the people, and new opportunities for beneficial action by the State, without transcending proper limits,

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continually present themselves. It is of the highest importance that plans for development and extension should be examined most critically and with a fitting sense of proportion, to the end that moneys may be appropriated with due regard for economy and without either favoritism or waste.

Upon some claim of State obligation, requests are made annually for the expenditure of State moneys in connection with dams, bridges and other works in various localities. In order that the State may perform its full duty to all localities impartially and at the same time be protected from all unmeritorious demands, the precise extent of such obligation should be ascertained and a comprehensive plan for their discharge should be formulated.

CHARLES E. HUGHES.

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